

**From:** Michael Capelle  
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As you no doubt will conclude, there's no way to stabilize California's revenue unless you address the fundamental flaws in the property tax system. It's impossible to have a consistent revenue flow with based on economic activity, i.e. income or sales taxes.

The original premise of Proposition 13 was worthwhile - don't force seniors out of their homes due to rising property taxes.

The unfortunate side effect of Proposition 13 was to unfairly tax newer home owners more than existing ones for the same services.

Why not freeze taxes paid at the existing levels as exist under Proposition 13, but allow the government to place a lien on the property for the difference between the prop 13 valuation and the real appraised value? Benefits include:

1. Allow seniors to stay in their homes at the artificially reduced property tax base
2. Allow the state to collect the accrued taxes on the property at the time of owner's death, sale or other transfer of the property.
3. Remove the artificial subsidy to estates of long time home owners
4. Provide an asset base that the state could borrow against to raise short-term revenues (bonds based on value of liens)

Sustainable, stable revenues based on fair and equitable taxes on real property.

Mike Capelle